

Remarks

The Office Action mailed February 12, 2004 has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-3, 5-21, and 23-58 are pending in this application. Claims 1-3, 5-21, and 23-56 stand rejected. Claims 4 and 22 have been cancelled. Claims 57-58 have been newly added. No new matter has been added.

The rejection of Claims 1-3, 6-21, and 24-56 under 35 U.S.C. § 103(a) as being unpatentable over Morgan et al. (U.S. Patent No. 5,799,286) (Morgan) in view of John Karr, Bank Accounting & Finance, *Activity-Based Costing in the Financial Services Industry*, Fall 1994 (Karr) is respectfully traversed.

Applicant respectfully submits that neither Morgan nor Karr, considered alone or in combination, describe or suggest the claimed invention. As discussed below, at least one of the differences between the cited references and the present invention is that neither Morgan nor Karr, considered alone or in combination, describe or suggest a method that includes determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculating deal costs per product by multiplying an average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs.

According to page 7 of the Office Action, the Examiner “has interpreted a complexity factor to be a cost-weighting factor.” Moreover, the Office Action asserts that “it is well known in the art that cycle time is an indication of cost since the longer it takes to produce a product, the more cost is absorbed in the production of the product, therefore, the examiner interprets cycle time as one mechanism to weight cost and is not a differentially significant factor”. Applicant

respectfully traverses this assertion and submits that the “differentially significant factor” test being applied by the Examiner in this case is not the proper test for patentability.

Applicant further submits that the mere mentioning of “cost-weighting mechanisms” in Karr does not describe or teach determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes. In fact, the Examiner has failed to provide any reference teaching a complexity factor that is determined by dividing an average cycle time for each product by an average cycle time for all products offered by a business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes.

Morgan describes an automated activity-based management system and method (10). A business organization has costs associated with its employees, facilities, equipment, and overhead to produce products or provide services. Such a business organization typically generates traditional general ledger accounting information (152) and human resources information (150). This traditional accounting information (150, 152, 154) is used along with information directed to activities, equipment usage and facilities utilization to generate costs associated with activities performed by the organization. A computer workstation (40) with a graphical user interface (42) is used to accept entries of activity information (74). The activity information and traditional accounting information are fed to a relational database (12). The information is processed and costs associated with the employee, facilities, equipment, and overhead components (20, 22, 24, 26) of activities are computed. User-definable ad-hoc reports as well as preformatted reports for trending, forecasting, comparison, benchmarking, and budgeting purposes are generated.

Karr describes a method of using activity-based costing (ABC) in the financial services industry. Karr mentions that ABC identifies costs that are associated with business activities. Rather than using financial accounting line items and organizational allocations as the basis for cost assignment, ABC employs processes and drivers as its underpinnings, even for overhead costs. The method includes the steps of booking financial transactions to appropriate accounts,

aggregating into line items (cost elements) by cost center, mapping to activity-based process cost pools, determining cost driver and assigning costs, and driving pool costs to cost objects.

Claim 1 recites a method for allocating operating expenses to deal activity that includes “receiving business information relating to at least one deal, a deal is a business transaction involving at least one product including at least one of a loan, a lease, a common equity, and a preferred equity...allocating operating expenses incurred over a predetermined period of time to a plurality of processes based on the received business information, the plurality of processes are employed by a business unit to produce a product...computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time...determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes...calculating deal costs per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs...and providing various management reports to track operating expenses by different categories to facilitate strategic decision making processes and improve operational productivity.”

Neither Morgan nor Karr, considered alone or in combination, describe or suggest a method for allocating operating expenses to deal activity as recited in Claim 1. More specifically, neither Morgan nor Karr, considered alone or in combination, describe or suggest a method for allocating operating expenses to deal activity that includes computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during a predetermined period of time, determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculating deal costs per product by multiplying the average deal cost

per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs.

Applicant respectfully traverses the suggestion included in the Office Action at page 10 that Morgan describes computing an average deal cost. In fact, Applicant respectfully submits that, although Morgan discusses at column 2, lines 5-9 “traditional general ledger accounting information”, Morgan actually teaches away from a method that includes the steps of computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during a predetermined period of time, and then using the average deal cost per process to calculate deal costs per product.

More specifically, Morgan describes an automated activity-based management system that uses traditional general ledger accounting information and human resources information to generate costs associated with activities performed by an organization. In Morgan, the cost to produce each product is the sum of the activity costs contributing to the making of the product (see col. 20, lines 31-35). Therefore, Morgan describes a system that determines a cost of producing a product by totaling the activity costs incurred in the making of the product. In other words, activity costs incurred in making a product are directly allocated to the product when determining the product cost. Morgan does not describe or suggest computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during a predetermined period of time, and then using the average deal cost per process to calculate deal costs per product.

In the present invention, each activity does not always result in a product. For example, Figure 5 shows that there were 267 Total Qualified Leads, but only 44 Closed Deals. In other words, each qualified lead does not always result in a product (i.e., a closed deal). Therefore, in the present invention and in contrast to Morgan, the cost to produce each product cannot be calculated by merely totaling the activity costs incurred in producing the product since, in at least some cases, products are not produced from certain performed activities. Costs associated with activities not resulting in a product must be allocated in some way. Consequently, in the present

invention, deal costs per product are calculated by using an average deal cost per process, and not by merely totaling the activity costs incurred in the making of a particular product.

Furthermore, as acknowledged by the Office Action at pages 6-7, Morgan fails to teach that “the business information relates to at least one deal”, and fails to teach “computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time, and determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and using the complexity factor to calculate deal cost per product.”

Applicant also traverses the suggestion at page 7 of the Office Action that the cost-weighting factor mentioned in Karr teaches the complexity factor described in the present invention. Karr provides at paragraph 28 as follows:

Another complication can be that all transactions within a given class of driver do not consume an equal amount of costs. This is often encountered where one type of account entails more work than others, yet the bank’s systems treat all accounts equally. To address such issues, the bank can develop cost-weighting mechanisms. For example, high-balance accounts could receive some multiple of the cost attributed to low-balance accounts.

Applicant submits that the mere mentioning of a “cost-weighting mechanism”, namely shifting some multiple of the cost attributed to one type of an account to another type of account, does not describe or teach determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein the cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculating deal costs per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs.

Moreover, the Office Action asserts that “it is well known in the art that cycle time is an indication of cost since the longer it takes to produce a product, the more cost is absorbed in the production of the product, therefore, the examiner interprets cycle time as one mechanism to weight cost and is not a differentially significant factor”. Applicant respectfully traverses this assertion and submits that the “differentially significant factor” test being applied by the Examiner in this case is not the proper test for patentability. Rather, as noted above, Karr does not describe or suggest determining a complexity factor for each product offered by a business unit as recited in the claims. Moreover, Karr does not even mention cycle time, and thus, does not teach dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein the cycle time is defined as an amount of time between a qualified lead to when a deal closes.

The Examiner has failed to provide any reference teaching a complexity factor that is determined by dividing an average cycle time for each product by an average cycle time for all products offered by a business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes. Accordingly, Applicant respectfully submits that Claim 1 is patentable over Morgan in view of Karr.

For at least the reasons set forth above, Claim 1 is submitted to be patentable over Morgan in view of Karr.

Claims 2-3, and 6-16 depend, directly or indirectly, from independent Claim 1. When the recitations of Claims 2-3, and 6-16 are considered in combination with the recitations of Claim 1, Applicant submits that dependent Claims 2-3, and 6-16 likewise are patentable over Morgan in view of Karr.

Claim 17 recites a method that includes “receiving business information relating to at least one deal, a deal is a business transaction involving at least one product including at least one of a loan, a lease, a common equity, and a preferred equity, business information further includes a Number of Deals for a Specific Financial Reporting Period, Time spent per process as a percentage of Total Year, Deal Activity Segmentation Factors, Operating Expenses by a Business Unit, and an Average Cycle Time from Qualified Lead to Close in Days by Business

Unit by Product Name...allocating operating expenses incurred over a predetermined period of time to a plurality of processes based on the received business information, the plurality of processes are employed by a business unit to produce a product...computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time...determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes...calculating deal costs per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs...and providing various management reports to track operating expenses by different categories to facilitate strategic decision making processes.”

Neither Morgan nor Karr, considered alone or in combination, describe or suggest a method as recited in Claim 17. More specifically, neither Morgan nor Karr, considered alone or in combination, describe or suggest a method that includes computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time, determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculating deal costs per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs.

Rather, Morgan describes an automated activity-based management system that takes traditional accounting information, along with some additional business information provided by the user, and allocates the monetary cost or dollars to the activities performed (col. 4, lines 12-20); and Karr describes a method of using activity-based costing (ABC) in the financial services

industry that includes booking financial transactions to appropriate accounts, aggregating into line items (cost elements) by cost center, mapping to activity-based process cost pools, determining cost driver and assigning costs, and driving pool costs to cost objects.

As acknowledged by the Office Action at pages 6-7, Morgan fails to teach that “the business information relates to at least one deal”, and fails to teach “computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time, and determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and using the complexity factor to calculate deal cost per product.”

Furthermore, although the Office Action suggests that the Examiner “has interpreted a complexity factor to be a cost-weighting factor”, Applicant respectfully submits that the mere mentioning of a “cost-weighting mechanism”, namely shifting some multiple of the cost attributed to one type of an account to another type of account, does not describe or teach determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein the cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculating deal costs per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs.

The Examiner has failed to provide any reference teaching a complexity factor that is determined by dividing an average cycle time for each product by an average cycle time for all products offered by a business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes. Accordingly, Applicant respectfully submits that Claim 17 is patentable over Morgan in view of Karr.

For at least the reasons set forth above, Claim 17 is submitted to be patentable over Morgan in view of Karr.

Claim 18 depends from independent Claim 17. When the recitations of Claim 18 are considered in combination with the recitations of Claim 17, Applicant submits that dependent Claim 18 likewise is patentable over Morgan in view of Karr.

Claim 19 recites a web-based system for allocating operating expenses that includes a client system, a data storage device, and a server system configured to “receive business information relating to at least one deal, a deal is a business transaction involving at least one product including at least one of a loan, a lease, a common equity, and a preferred equity...allocate operating expenses incurred over a predetermined period of time to a plurality of processes based on the received business information, the plurality of processes are employed by a business unit to produce a product...compute an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time...determine a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes...calculate deal cost per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products...and provide various management reports to track operating expenses by different categories.”

Neither Morgan nor Karr, considered alone or in combination, describe or suggest a system as recited in Claim 19. More specifically, neither Morgan nor Karr, considered alone or in combination, describe or suggest a system that includes a server system configured to compute an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time, determine a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculate deal cost per product by

multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products.

Rather, Morgan describes an automated activity-based management system that takes traditional accounting information, along with some additional business information provided by the user, and allocates the monetary cost or dollars to the activities performed (col. 4, lines 12-20); and Karr describes a method of using activity-based costing (ABC) in the financial services industry that includes booking financial transactions to appropriate accounts, aggregating into line items (cost elements) by cost center, mapping to activity-based process cost pools, determining cost driver and assigning costs, and driving pool costs to cost objects. Accordingly, Applicant respectfully submits that Claim 19 is patentable over Morgan in view of Karr.

For at least the reasons set forth above, Claim 19 is submitted to be patentable over Morgan in view of Karr.

Claims 20-21, and 24-45 depend, directly or indirectly, from independent Claim 19. When the recitations of Claims 20-21, and 24-45 are considered in combination with the recitations of Claim 19, Applicant submits that dependent Claims 20-21, and 24-45 likewise are patentable over Morgan in view of Karr.

Claim 46 recites a computer program that includes “a code segment that receives business information relating to at least one deal, a deal is a business transaction involving at least one product including at least one of a loan, a lease, a common equity, and a preferred equity...a code segment that allocates operating expenses incurred over a predetermined period of time to a plurality of processes based on the received business information, the plurality of processes are employed by a business unit to produce a product...a code segment that computes an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time...a code segment that determines a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes...a code segment that calculates

deal cost per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs...and a code segment that provides various management reports to track operating expenses by different categories to facilitate strategic decision making process and improve operational productivity.”

Neither Morgan nor Karr, considered alone or in combination, describe or suggest a computer program as recited in Claim 46. More specifically, neither Morgan nor Karr, considered alone or in combination, describe or suggest a computer program that includes a code segment that computes an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time, a code segment that determines a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and a code segment that calculates deal cost per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs.

Rather, Morgan describes an automated activity-based management system that takes traditional accounting information, along with some additional business information provided by the user, and allocates the monetary cost or dollars to the activities performed (col. 4, lines 12-20); and Karr describes a method of using activity-based costing (ABC) in the financial services industry that includes booking financial transactions to appropriate accounts, aggregating into line items (cost elements) by cost center, mapping to activity-based process cost pools, determining cost driver and assigning costs, and driving pool costs to cost objects. Accordingly, Applicant respectfully submits that Claim 46 is patentable over Morgan in view of Karr.

For at least the reasons set forth above, Claim 46 is submitted to be patentable over Morgan in view of Karr.

Claims 47-56 depend, directly or indirectly, from independent Claim 46. When the recitations of Claims 47-56 are considered in combination with the recitations of Claim 46, Applicant submits that dependent Claims 47-56 likewise are patentable over Morgan in view of Karr.

For at least the reasons set forth above, Applicant respectfully requests that the Section 103 rejection of Claims 1-3, 6-21, and 24-56 be withdrawn.

The rejection of Claims 5 and 23 under 35 U.S.C. § 103(a) as being unpatentable over Morgan et al. (U.S. Patent No. 5,799,286) (Morgan) and John Karr, *Bank Accounting & Finance, Activity-Based Costing in the Financial Services Industry*, Fall 1994 (Karr) in view of Rob Cross et al., *Activity-Based Costing in Commercial Lending: The Case of Signet Bank, Commercial Lending Review*, Fall 1997 (Cross) is respectfully traversed.

Morgan and Karr are both described above. Cross describes an activity-based costing (ABC) project implemented by Signet Bank in 1995. In 1995, Signet Bank began an ABC project to provide a framework for multiple views of profitability: by product, customer account, business unit, or any combination thereof. This kind of cost information enabled the managers of Signet bank to better understand how the bank delivered its products to the market. In addition to product changes, the cost information was useful for assessing customer relationships. According to Cross, there are four (4) steps to creating an ABC costing system: (1) define relevant activities; (2) perform time measurement studies; (3) analyze cost structure; and (4) determine volumes.

Claim 5 depends from independent Claim 1. Claim 1 recites a method for allocating operating expenses to deal activity that includes “receiving business information relating to at least one deal, a deal is a business transaction involving at least one product including at least one of a loan, a lease, a common equity, and a preferred equity...allocating operating expenses incurred over a predetermined period of time to a plurality of processes based on the received business information, the plurality of processes are employed by a business unit to produce a product...computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed

during the predetermined period of time...determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes...calculating deal costs per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs...and providing various management reports to track operating expenses by different categories to facilitate strategic decision making processes and improve operational productivity.”

None of Morgan, Karr, or Cross, considered alone or in combination, describe or suggest a method for allocating operating expenses to deal activity as recited in Claim 1. More specifically, none of Morgan, Karr, or Cross, considered alone or in combination, describe or suggest a method for allocating operating expenses to deal activity that includes computing an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during a predetermined period of time, determining a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculating deal costs per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products since each product tends to have a different level of complexity that drives different processes and costs.

Rather, Morgan describes an automated activity-based management system that takes traditional accounting information, along with some additional business information provided by the user, and allocates the monetary cost or dollars to the activities performed (col. 4, lines 12-20); Karr describes a method of using activity-based costing (ABC) in the financial services industry that includes booking financial transactions to appropriate accounts, aggregating into line items (cost elements) by cost center, mapping to activity-based process cost pools, determining cost driver and assigning costs, and driving pool costs to cost objects; and Cross

describes an activity-based costing system that includes the steps of defining relevant activities, performing time measurement studies, analyzing cost structure, and determining volumes. Accordingly, Applicant respectfully submits that Claim 1 is patentable over Morgan and Karr in view of Cross.

When the recitations of Claim 5 are considered in combination with the recitations of Claim 1, Applicant submits that dependent Claim 5 likewise is patentable over Morgan and Karr in view of Cross.

Claim 23 depends from independent Claim 19. Claim 19 recites a web-based system for allocating operating expenses that includes a client system, a data storage device, and a server system configured to “receive business information relating to at least one deal, a deal is a business transaction involving at least one product including at least one of a loan, a lease, a common equity, and a preferred equity...allocate operating expenses incurred over a predetermined period of time to a plurality of processes based on the received business information, the plurality of processes are employed by a business unit to produce a product...compute an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time...determine a complexity factor for each product offered by a business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit, a cycle time is defined as an amount of time between a qualified lead to when a deal closes...calculate deal cost per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products...and provide various management reports to track operating expenses by different categories.”

None of Morgan, Karr, or Cross, considered alone or in combination, describe or suggest a system as recited in Claim 19. More specifically, none of Morgan, Karr, or Cross, considered alone or in combination, describe or suggest a system that includes a server system configured to compute an average deal cost per process by dividing for each process the operating expenses allocated to a specific process by a number of times the specific process was performed during the predetermined period of time, determine a complexity factor for each product offered by a

business unit by dividing an average cycle time for each product by an average cycle time for all products offered by the business unit wherein a cycle time is defined as an amount of time between a qualified lead to when a deal closes, and calculate deal cost per product by multiplying the average deal cost per process by the complexity factor determined for the specific product to reflect complexity differences between products.

Rather, Morgan describes an automated activity-based management system that takes traditional accounting information, along with some additional business information provided by the user, and allocates the monetary cost or dollars to the activities performed (col. 4, lines 12-20); Karr describes a method of using activity-based costing (ABC) in the financial services industry that includes booking financial transactions to appropriate accounts, aggregating into line items (cost elements) by cost center, mapping to activity-based process cost pools, determining cost driver and assigning costs, and driving pool costs to cost objects; and Cross describes an activity-based costing system that includes the steps of defining relevant activities, performing time measurement studies, analyzing cost structure, and determining volumes. Accordingly, Applicant respectfully submits that Claim 19 is patentable over Morgan and Karr in view of Cross.

When the recitations of Claim 23 are considered in combination with the recitations of Claim 19, Applicant submits that dependent Claim 23 likewise is patentable over Morgan and Karr in view of Cross.

For at least the reasons set forth above, Applicant respectfully requests that the Section 103 rejection of Claims 5 and 23 be withdrawn.

Notwithstanding the above, the rejection of Claims 1-3, 6-21, and 24-56 under 35 U.S.C. § 103(a) as being unpatentable over Morgan in view of Karr; and the rejection of Claims 5 and 23 under 35 U.S.C. § 103(a) as being unpatentable over Morgan and Karr in view of Cross is further traversed on the grounds that the Section 103 rejection of the presently pending claims is not a proper rejection.

Obviousness cannot be established by merely suggesting that it would have been obvious to one of ordinary skill in the art to modify Morgan using the teachings of Karr and Cross. More

specifically, as is well established, obviousness cannot be established by combining the teachings of the cited art to produce the claimed invention, absent some teaching, suggestion, or incentive supporting the combination. It is impermissible to use the claimed invention as an instruction manual or "template" to piece together the teachings of the prior art so that the claimed invention is rendered obvious. Specifically, one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. Further, it is impermissible to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art.

None of Morgan, Karr, or Cross, considered alone or in combination, describe or suggest the claimed combination. Rather, the present Section 103 rejection is based on a combination of teachings selected from multiple references in an attempt to arrive at the claimed invention. Since there is no teaching, suggestion or motivation for the combination of Morgan, Karr, and Cross, the Section 103 rejection appears to be based on a hindsight reconstruction in which isolated disclosures have been picked and chosen in an attempt to deprecate the present invention. Of course, such a combination is impermissible, and for this reason alone, Applicant requests that the Section 103 rejection of Claims 1-3, 6-21, and 24-56; and Claims 5 and 23 be withdrawn.

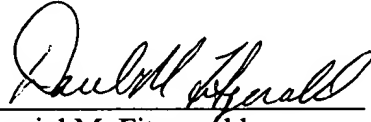
Newly added Claim 57 depends from independent Claim 1, which is submitted in a condition for allowance and patentable. Claim 57 recites "allocating operating expenses incurred over a predetermined period of time to a plurality of processes including qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to approval committee, deals approved, and deals closed...allocating operating expenses allocated to the deals presented to approval committee to whether the deal was approved at a division level, a headquarters level, or a board of directors level...computing an average deal cost for a deal approved at the division level by totaling the average deal cost per process for each of qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to division level for approval, deals approved, and deals closed...computing an average deal cost for a deal approved at the headquarters level by totaling the average deal cost per process for

each of qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to headquarters level for approval, deals approved, and deals closed...and computing an average deal cost for a deal approved at the board of directors level by totaling the average deal cost per process for each of qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to board of directors level for approval, deals approved, and deals closed.” None of the cited references describe or suggest a method as recited in Claim 57. Accordingly, Applicant respectfully submits that Claim 57 is patentable over the cited references.

Newly added Claim 58 depends from independent Claim 19, which is submitted in a condition for allowance and patentable. Claim 58 recites a server system further configured to “allocate operating expenses incurred over a predetermined period of time to a plurality of processes including qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to approval committee, deals approved, and deals closed...allocate operating expenses allocated to the deals presented to approval committee to whether the deal was approved at a division level, a headquarters level, or a board of directors level...compute an average deal cost for a deal approved at the division level by totaling the average deal cost per process for each of qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to division level for approval, deals approved, and deals closed...compute an average deal cost for a deal approved at the headquarters level by totaling the average deal cost per process for each of qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to headquarters level for approval, deals approved, and deals closed...and compute an average deal cost for a deal approved at the board of directors level by totaling the average deal cost per process for each of qualified leads, pre-proposal issued, proposals issued, deals awarded or credit requests, deals presented to board of directors level for approval, deals approved, and deals closed.” None of the cited references describe or suggest a system as recited in Claim 58. Accordingly, Applicant respectfully submits that Claim 58 is patentable over the cited references.

In view of the foregoing amendments and remarks, all the claims now active in the application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Daniel M. Fitzgerald", written over a horizontal line.

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